Employers Survey 2015
Advocacy & Industry Relations
BACKGROUND

This survey is conducted by the Employers and Manufacturers Association (Northern) Inc. [EMA].

EMA's membership of over 4000 companies, including 1700 manufacturers, is based in the top half of the North Island. Those companies are represented by 7500 operating or business units, which in total employ over 250,000 staff.

Our highly diverse membership includes companies and organisations involved in the manufacture, importation, supply, distribution and retail of most product types and the provision of services in a wide range of service sectors including governmental, contractual, tourism, IT, banking, insurance and business advisors.

EMA seeks to have the principles of international best practice, and recognition of compliance costs, fully addressed in any legislation.

The EMA is considered the leading employers' organisation by most business and on issues that affect employment relations. It also takes an active role in cross-industry initiatives, and cooperates with government activities that will assist or improve the growth and development of business within New Zealand.

As the leading voice of business in the upper North Island we actively participate in both the submission process and any development of regulatory proposals that may impact on our membership.

This survey is a key contributor to that voice.

CONTACT

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Contents

Executive Summary 5
Business Outlook 6
Employment 6
Future Demand for Skills 8
Literacy and Numeracy 9
Business Connections with Education 12
Employment Relations and Workplace Practices 12
Immigration 16
Workplace Health and Safety 17
Executive Summary

This report summarises key findings from the Employers and Manufacturers (Northern) half-yearly Survey of Employers, conducted in July 2015.

The purpose of the survey is to collect information from members to monitor employer practices and perspectives on topics including business outlook, employment conditions, training, immigration, flexible working arrangements and health and safety.

Respondents were 254 employer members from Northland, Auckland, Waikato and Bay of Plenty. The online survey was conducted between July 2nd 2015 and July 14th 2015.

Number of Employees by Survey Participant

Business size, type and location

47% of participants had fewer than 20 employees.

The most common type of business was manufacturing at 28% of respondents.

48% of businesses were located in Auckland, 16% in Waikato and 15% in Bay of Plenty, while Northland attracted 5%.
Business Outlook

61% expect business conditions to stay the same. 45% expect their own business to grow.

What will business conditions be like over the next six months

![Bar chart showing business outlook](chart.png)

Do you expect your own business to:

![Bar chart showing business outlook](chart.png)

Employment

52% of employers had increased their staff numbers over the past 6 months, which was equivalent to 848 more jobs, while 28% had made positions redundant, resulting in the loss of 243 jobs.

Attracting suitably skilled candidates is proving difficult, with 68% experiencing this.

Only 15% of employers find it not at all difficult to attract suitable candidates for all positions, while 46% find it very difficult.

Most commonly employers were unable to fill vacancies for the following positions:
Skill shortages by type

- Managers: 7%
- Professionals: 17%
- Technicians & Trade: 35%

For skilled positions, how difficult is it to attract suitably skilled candidates

Percent of employers who are finding it difficult to attract positions generally
Future demand for skills

Most employers think there will be a skill shortage for their industry sectors, with 63% indicating this. Employers will use a number of ways to meet this shortage. The majority are going to employ staff with basic skills and upskill them, and employ staff with the required experience. Only 7% have planned no action.

**Percent of employers who think there will be a skill shortage over the next 6 months.**

- Yes: 63%
- No: 37%

**How companies are meeting their skill needs:**

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No action</td>
<td>7%</td>
</tr>
<tr>
<td>Retrain existing staff on the job</td>
<td>45%</td>
</tr>
<tr>
<td>Redesign job roles</td>
<td>20%</td>
</tr>
<tr>
<td>Employ candidates with required experience</td>
<td>52%</td>
</tr>
<tr>
<td>Employ people with basic skills and upskill them</td>
<td>52%</td>
</tr>
<tr>
<td>Seek skilled migrants from offshore</td>
<td>19%</td>
</tr>
<tr>
<td>Take on apprentice and trainees</td>
<td>23%</td>
</tr>
<tr>
<td>Employ casual workers and contractors</td>
<td>29%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
</tbody>
</table>
Literacy and Numeracy

The business sector regularly expresses frustration at the lack of practical literacy skills among school leavers and as a consequence needs to provide remedial literacy training. Despite the increase in attainment in schools, employers’ frustration continues.

Employers rate secondary school students very highly in technology competence and capacity to learn, while rating self-management as low.

Employers are more satisfied with tertiary students than secondary in their literacy and numeracy skills.

Employers are more satisfied with university graduates compared to secondary, in all disciplines.

The effects of low literacy and numeracy in the workforce include poor completion of workplace documents and wasted time.

Employers were asked how satisfied they were with school leavers and tertiary graduates who had applied for jobs, in terms of skills.

Basic literacy: School leavers compared to Tertiary

Basic Numeracy: School leavers compared Tertiary
Technology: School leavers compared to Tertiary

Self management: School leavers compared to Tertiary

Team work and communication: School leavers compared to Tertiary
Problem solving: School leavers compared to Tertiary

Capacity to Learn: School leavers compared to Tertiary
Business Connections with Education

Over the past six months, 18% of businesses had developed links with secondary schools; 36% with universities and higher education; while 46% had not established links.

Employment Relations and Workplace Practices

Trial employment periods

Survey participants were asked about their use of 90-day trial employment periods. 74% said they allowed employees to take a chance, and filled a vacancy with a person who seemed to have potential, where the employer could not be certain how they would work out.

43% said the trial period allowed them to appoint someone to a vacant position sooner than they might have otherwise, while 18% said the trial period meant they could create a new position or revise a disestablished position with more confidence than otherwise.

Has your business ever used the 90 day trial employment period?
Use of flexible working arrangements

Flexible work can benefit employees and employers. It means people have the opportunity to make changes to the hours they work, the times and days they work, or where they work.

Employers were asked if any current employees in the business used one or more of a number of different flexible working arrangements.

Main flexibility arrangements in the workplace

Zero hour contracts

A zero hour contract is a new concept in New Zealand. It has no legal definition. In general, this type of employment agreement provides for an employer to engage an employee without any guarantee of payment.

The Minister of Business, Innovation and Employment has signalled changes to this concept through employment law.

Of those surveyed, 9% employed staff on zero hour contracts.

Collective Bargaining

The Employment Relations Amendment Act 2014 came into effect on 6 March 2015.

The changes to collective bargaining aimed to increase choice and flexibility in the collective bargaining framework, reduce ineffective bargaining and improve fairness and balance in bargaining requirements. Of those who responded to the survey, the majority (67%) indicated collective bargaining had no effect on their organisation.
What effect does collective bargaining have on your organisation?

- 67% None
- 13% A lot
- 15% A lot
- 4% A lot
- 2% A lot

Requests for flexible working arrangements

- 53% None
- 18% None
- 22% Some
- 6% Some
- 1% Some
Flexible rest and meal breaks

There were changes to the rest and meal break provisions in the Employment Relations Amendment Act which sought to balance the importance of rest and meal breaks with the need for breaks to be practical for each workplace. The new provision encouraged employers and employees to negotiate.

This did not affect the majority of employers who participated in the survey.

Infants

Under the Employment Relations Amendment Act, employers are required, as far as is reasonable and practicable, to provide appropriate breaks and facilities for employees who wish to breastfeed their infants at work.

Most businesses were not aware of the infant feeding amendment to the Act, although 45% were and 38% did not know of the requirement.
Immigration

With the skill shortages, immigration is becoming more of a means for employers to obtain a skilled employee.

One in four New Zealand workers are recent migrants. 60% of workforce growth in the past decade was from migrants. 43% of Auckland’s migrant workforce has been here less than 10 years.*

Migration is significant to sustaining workforce growth in Auckland.
24% of those surveyed were recruiting overseas, while 76% had not recruited migrants.

Percent of Employers Recruiting Overseas

![Chart showing percent of employers recruiting overseas](chart.png)

Of those recruiting by immigration, 55% were in Auckland, 11% in the Bay of Plenty, 11% in the Waikato, 2% in Northland.

Over 50% of employers rate the immigration process as being difficult.

*Source: Immigration New Zealand
Workplace Health and Safety

The survey included questions to gauge employers’ understanding and views on health and safety. On a scale of one to four to measure employers’ understanding, 83% of respondents indicated they thought they had a reasonable grasp of the law, while 55% felt they were prepared for changes to health and safety law at work that are coming early next year.

Employers were asked how familiar they were with health and safety regulations in the following operational areas:

<table>
<thead>
<tr>
<th>Operational Area</th>
<th>Unfamiliar to very familiar</th>
</tr>
</thead>
<tbody>
<tr>
<td>General risk &amp; workplace</td>
<td>4%  8%  27%  45%  16%</td>
</tr>
<tr>
<td>Asbestos</td>
<td>31% 24% 23% 12% 10%</td>
</tr>
<tr>
<td>Major hazards facilities</td>
<td>15% 18% 29% 25% 13%</td>
</tr>
<tr>
<td>Adventure activities</td>
<td>43% 25% 19% 9% 3%</td>
</tr>
</tbody>
</table>

How familiar are employers with workplace health & safety law

![Bar graph showing familiarity levels for workplace health and safety law.](image)

Employers’ preparedness for pending Health & Safety at work Act

![Bar graph showing preparedness levels for pending Health & Safety at work Act.](image)
How involved are Directors in workplace health & safety?

Is workplace health & safety a regular board topic?
Difficulty of getting workplace health & safety representatives:

Conclusion

EMA’s next half-yearly Employers Survey will be conducted online in December and reported back to members in our early 2016 publications.
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